

Minutes
FINANCE COMMITTEE
Tuesday, August 13, 2013
City Hall, Room 207
5:30 p.m.

MEMBERS: Alders Amy Kocha, Tom De Wane, Andy Nicholson, and Tom Sladek

OTHERS PRESENT: Dawn Foeller, Attn. Tony Wachowitz, Asst. Attn. Kail Decker, Rick Jensen, Lynn Boland, Chief Litton, Asst. Chief Nieft, Melanie Falk, Rob Strong, Diana Ellenbecker, Kim Rivest, Colleen Hinz, Pam Manely, Marsha Scholes, Ald. Mark Steuer, Ald. David Boyce, and others.

1. Roll Call.
2. Approval of the Agenda.

A motion to approve the agenda made by Ald. Andy Nicholson, seconded by Ald. Tom Sladek, and carried to approve.

3. Approval of the minutes of the Finance Committee meeting of July 15, 2013.

A motion to approve made by Ald. Tom Sladek, seconded by Ald. Andy Nicholson, and carried to approve.

4. Request by Ald. Tom DeWane to have all grants come before the finance committee for approval.

Ald. Tom DeWane referred to item 5 of the agenda that would cover the same topic and asked that his request be received and placed on file.

A motion to receive and place on file made by Ald. Tom Sladek, seconded by Ald. Andy Nicholson, and carried to approve.

5. Request by the Finance Director to review and approve a grant policy for the City.

Finance Director Dawn Foeller provided a high level summary of the document that was provided within the packet. The goal of a grant policy is to have a common procedure for all City departments to follow that ensures the grants being applied for are consistent with the goals of the City and that we adhere the grant compliance requirements and properly report grants in the City's annual financial statement.

Within the policy, a grant is defined as external funding from a State or Federal agency usually awarded through a competitive application process for a specific purpose under a specific period of time and a local match refers to a specific amount of funding or goods/services equivalent to that amount of funding that would be required from the City in order to receive the grant. This policy will pertain to all agencies within the City.

There are three steps to the policy. The first step is the application, which is where individual departments would apply for the grant and obtain the department head's

approval and send a copy of the application to the Finance Department. The second step is the “grant award”. At this step, the grant would come before the Finance Committee asking for permission to accept the award. The third step of the procedure is the grant accounting and the compliance period whereby procedures would be followed until the grant is closed out.

Finance Director Foeller introduced Pam Manely, who put the enclosed document together laying out the procedures for acquiring a grant. Pam Manely is the Grant Accounting Manager.

Ald. Sladek and Ald. Tom DeWane clarified that when it comes time for a grant to be “awarded” to a department that would be the time that the grant would be brought forward to the Finance Committee, and Director Foeller stated yes.

Ald. Sladek then proceeded to ask if the procedure was created due to having issues or problems in the past. Finance Director Foeller explained that every department has their own way of handling grants; a common policy would offer a consistent approach to managing and monitoring grants.

Ald. Sladek discussed that ongoing costs of the grant, such as maintenance and upkeep, be considered during the grant application process.

Ald. Amy Kocha is concerned on how the department heads feel about applying for a grant and then having it declined by a committee, what is the typical scenario when applying for a grant and is there time to receive significant input before an application due date? Finance Director Foeller stated that there is a section in the policy for special situations where time is of the essence. Park Director Cramer stated that grants involving the Park and Recreation department currently are brought before the Parks Committee for permission to apply for a grant and then again once the grant is awarded.

Ald. Amy Kocha is questioning the importance of coming to the Finance Committee as part of the process for approval. Ald. Tom DeWane doesn’t necessarily want to change the process but be made aware of the grants the City has received, the funding source of the grant, what projects the money will be used for and any ongoing costs that the City may incur after the grant is closed out.

Follow up discussion amongst the committee members continued as to whether the grant should come before them prior to the application versus at the time of award. Approving an application prior to its submission may be more efficient for the departments before they spend time and effort on an application that the Finance Committee may end up rejecting upon its award. Ald. Sladek questioned whether the application lists all of the requirements of the grant. Director Cramer stated grants applied for by the Parks department are pretty straight forward. Planning Director, Rob Strong, stated Planning receives Entitlement Grants. These grants do not require the City to apply for the grant each year but submits a project budget that is discussed and approved through the Redevelopment Authority and brought forward to the Common Council annually.

Ald. Tom DeWane would like to ensure the grant process is efficient as well as transparent to the Common Council.

A motion to hold one month for review made by Ald. Tom Sladek, seconded by Ald. Andy Nicholson, and carried to approve.

6. Request by Ald. Tom DeWane to have any loans given from the City of Green Bay approved by City Council no matter what authority it is under.

Ald. Tom DeWane believes that the process for all loans should involve the Common Council.

Planning Director Rob Strong was present and provided explanations. The CDBG and home programs have provided hundreds upon thousands of loans since its inception to home owners and businesses. The loans have been routinely handled by a loan subcommittee of Redevelopment Authority who follow guidelines that were approved by the Common Council. Individual loans, to either businesses or individuals, are listed on the subcommittee's agenda; however, personal details are not to be made public due the confidential nature of the information provided to the subcommittee. The process the subcommittee follows is very similar to how a bank would consider providing a loan.

Loans provided have a four percent interest rate and the term can be anywhere from five to fifteen years depending on what the loan is for. Director Strong went on to say, that the only time the Council gets involved in specific loans is when a request is made to stray from the procedures that were approved by the Common Council. An example of such request was made by the Children's museum, whereby, the not-for-profit interest was adjusted to zero.

Funds for the Revolving Loan Program come from two sources, the annual allocation from CDBG program and the repayment of current loans outstanding. This program has been around approximately twenty-five years.

Other loans made by the RDA include conversion loans, single family rehab loans, and Economic Development loans. Conversion loans are for two family homes to be converted back to a single family home. Again, all of the economic development loans are on the respective agendas.

Ald. Sladek requested Director Strong to summarize the programs and provide explanations for all of the aldermen in order to have a better understanding of each program.

A motion to hold for one month made by Ald. Sladek, seconded by Ald. Nicholson, and carried.

7. Recommendation to award the enterprise resource planning software to Tyler Munis and RecTrac for a total estimated 5-year cost of \$1,622,000. Money for the purchase and implementation of this project was completed in 2011 and 2012. Software maintenance will be budgeted in IT operating budget in years 3-5.

Finance Director Foeller supplied a memo within each packet providing the amounts and the process that was taken in order to award the project. All departments were included in this project. The IT department was included in the need assessment and all of the demonstrations. The initial five year ownership costs range from \$2,171,491 to

\$2,856,812. After reviewing all of the proposals, the field was narrowed down to two vendors, SunGard and Tyler Munis.

Once the demonstrations were completed, a survey was done of all of the participants and Tyler Munis had the more favorable vote. Due diligence was performed including calling references. Asst. Attn. Kail Decker completed the negotiations with an estimated five year costs to be \$1,621,772. We do have participation with all agencies including the general fund, sanitary, storm, CDGB / RDA fund, parking utility, and transit. At this time, the water department plans on only taking part in the HR and payroll modules.

The total software costs will be paid up-front and the implementation will take place over the next year or two. A 10 year software maintenance cost increase has been negotiated which will be paid annually. Cost increases range from 0% in years 1 and 2, 3% in year 3, 4% in year 4 and 5, 6% in year 6 and 7, 7% in years 8, 9 and 10. The product being selected has an evergreen philosophy, whereby all upgrades are included in the annual maintenance fee.

A motion to approve made by Ald. Andy Nicholson, seconded by Ald. Amy Kocha, and carried to approve.

8. Report of the Purchasing Manager:

- a. Request approval to award a 3 year contract for Microsoft Enterprise 6.6 Agreement to SHI, International for \$255,668 (\$85,222.53/year).

A motion to approve made by Ald. Tom Sladek, seconded by Ald. Andy Nicholson, and carried to approve.

9. Request by the Finance Director to review second quarter 2013 financial performance of the City.

Finance Director Foeller stated that the City should finish the year with a favorable estimate of \$100,000. This value takes into consideration general city operations and actual and anticipated retirements for 2013.

Ald. Tom Sladek requested all department heads provide Director Foeller with retirements that they are aware of so that better projections can be made for anticipated retirements.

A motion to receive and place on file made by Ald. Tom Sladek, seconded by Ald. Andy Nicholson, and carried to approve.

10. Report of the Claims Committee:

Regarding the review of damage claims filed against the city, the committee may convene in closed session pursuant to sec. 19.85(1) (g), Wis. Stats., for the purpose of conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The committee may thereafter reconvene in open session pursuant to Section 19.85(2), Wis. Stats., to report the results of the closed session and consider the balance of the agenda.

A motion to approve made by Ald. Amy Kocha, seconded by Ald. Tom Sladek, and carried to approve.

11. Discussion and possible action on Oneida Tribe's request to designate certain properties as tax exempt.

A motion to go into closed session made by Ald. Tom Sladek, seconded by Ald. Amy Kocha, and carried to approve.

The committee may convene in closed session, pursuant to section 19.85(1)(g), Wis. Stats., for the purpose of conferring with legal counsel concerning strategy to be adopted by the city with respect to litigation in which it is or is likely to become involved. The committee may thereafter reconvene in open session pursuant to section 19.85(2), Wis. Stats., to report the results of the closed session and consider the balance of the agenda.

A motion to enter into open session made by Ald. Tom Sladek, seconded by Ald. Amy Kocha, and carried to approve.

A motion to have the law department proceed as discussed in closed session made by Ald. Tom Sladek, seconded by Ald. Amy Kocha, and carried to approve.

12. Report of the Finance Director.

Director Foeller informed the committee that the installation of the new voting equipment in the Common Council Chambers has been completed. Committee members recommended that a short training session be given on Tuesday at 6:45 prior to the Common Council meeting.

A motion to receive and place on file made by Ald. Amy Kocha, seconded by Ald. Andy Nicholson, and carried to approve.

A motion was made to adjourn the meeting.

2013 Contingency Fund
\$92,000

1) **THIS MEETING IS AUDIO TAPED:** THE AUDIO OF THIS MEETING & MINUTES ARE AVAILABLE ON LINE AT WWW.CI.GREEN-BAY.WI.US.

2). **ACCESSIBILITY:** Any person wishing to attend who, because of a disability, requires special accommodation should contact the City Safety Manager at 448-3125 at least 48 hours before the scheduled meeting time so that arrangements can be made.

3). **QUORUM:** Please take notice that it is possible that additional members of the Council may attend this committee meeting resulting in a majority or quorum of the Common Council. This may constitute a meeting of the Common Council for purposes of discussion and information gathering relative to this agenda.

4). **REPRESENTATION:** The party requesting the communication, or their representative, should be present at this meeting.